Future of Music Coalition
1615 L Street NW, Suite 520, Washington, DC 20036 • 202.822.2051

Ex Parte

May 6, 2011

Ms. Marlene Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington DC 20554

Re: **Notice of Oral *Ex Parte* Communications**
MB Docket No. 11-66 (Cumulus/Citadel merger; license transfer approval)

Dear Ms. Dortch,

This letter is submitted pursuant to Section 1.1206(b) of the Commission's rules.

On May 5, 2011, Michael Bracy (Policy Director, Future of Music Coalition (FMC), Christopher Naoum (Policy Counsel, FMC), and Adam Holofcener (Legal Intern, FMC) met with Commissioner Michael Copps and Joshua Cinelli.

Future of Music Coalition met with the Commissioner and his staff to discuss the state of the commercial radio marketplace. FMC is specifically concerned with the proposed transfer of control and assignment of licenses in the merger of Citadel Broadcasting Corporation (Citadel) and Cumulus Media Inc. (CMI). As FMC's eleven years of documenting trends in the commercial radio space indicates, consolidation in the radio industry has led to conditions that could appropriately be described as market failure. The drive to cut costs to please investors, coupled with highly restrictive programming behaviors, have stymied broadcasters' ability to fulfill their public interest obligations of localism and diversity, while affecting their ability to attract and retain listeners.

When FMC speaks with artists, and managers and fans, we are impressed by how much enthusiasm there is for terrestrial radio. However, this enthusiasm is not often reflected in commercial radio programming, which is homogenized and risk-averse. We also notice that noncommercial radio is driving a considerable amount of activity — monetary, cultural and otherwise — by highlighting independent and local content. We wonder if there is more that commercial radio can do to play an active role in the new music ecosystem in a way that makes sense both economically and with regards to station owners' license obligations. We worry that commercial station owners might be missing out on significant opportunities to compete in today's media marketplace by failing to acknowledge terrestrial radio's core strengths, namely live and locally-originated programming.

We have spoken to representatives for CMI and we appreciate their efforts to bring new equity into the marketplace and divest their overlapping stations to owners who seek to best serve the public interest. Additionally, we are cautiously optimistic about CMI's goal to "place more feet on the streets and jocks on the air," to borrow a phrase from CMI Chairman, President and CEO Lew Dickey. Our number one concern, however, is programming and the lack of access for independent creators and labels. According to the American Association of Independent Music (A2IM), a merged company would likely result in more barriers to airplay for their independent record label members. FMC shares these concerns on the artist side, yet welcomes opportunities for positive reform in commercial radio in both programming and community engagement.

Another concern shared by both FMC and the independent label community is structural or institutional payola. As documented in several qualitative and quantitative reports by both groups, radio station ownership consolidation in part establishes an environment where payola or payola-like practices are a natural outcome. We are not entirely satisfied with the practical results of the Consent Decree and Voluntary Agreements in the wake of 2007's payola settlements, and would welcome meaningful engagement between the independent music sector and commercial radio.

CMI has expressed interest in further discussing some of FMC's concerns and ideas about how to make local stations more viable through innovative programming. A growing community of independent musicians has had considerable success on noncommercial stations, and there is no reason why commercial stations cannot reestablish themselves in the marketplace by taking advantage of clear demand for independent content. Bands like Arcade Fire, the Decemberists, and Spoon have all made it to the top of the Billboard charts but receive scant airplay on commercial radio. To us, this signals that something is broken with the programming model. Restrictive, homogenized programming with little local or regional focus will is unlikely to attract new listeners; playing music they want to hear may achieve a better outcome.

Consumers have expressed interest in live niche formats. Commercial radio station groups have done a poor job of responding to these demands, as well as competition from other sources, such as web radio. To adapt to a changing industry, we suggest that certain metrics may be employed across any market to tailor playlists to local audiences and demonstrable listener demand. The question is how can stations can engage local communities and partner with independent practitioners to once again be a driver in the music marketplace.

CMI has suggested that HD radio substations will address many of the issues of diversity in programming. This would be a welcome development, but HD radio has yet to become a factor in attracting listeners to commercial stations, and studies show that many already prefer web radio alternatives in automobiles, due to the ease of incorporating mobile devices into vehicle dashboards. Therefore, we believe that innovative programming must occur on the terrestrial stations even before a yet-to-be embraced technology such as HD radio. Improving conditions in regular broadcasting may also drive listeners to planned HD sub-channels, which would surely be a welcome outcome for station owners.

Future of Music Coalition looks forward to opportunities to work with the commercial radio sector, the independent artist and label community and the FCC to identify positive, market-focused ways to make the most of this vital portion of the public airwaves.

Respectfully Submitted,

Future of Music Coalition